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C&I TENNCARE



September 19, 2007

John Mattingly
Tennessee Department of Commerce and Insurance
TennCare Division, Suite 750
500 James Robertson Parkway
Nashville, TN 37243-1135

RE: NAIC- 2nd Quarter Report Amendment # 1

Please find enclosed **Memphis Managed Care Corporation** 2007 2nd Quarter-NAIC Report-Amended to include:

- 1. Statement of Actuarial Opinion**
- 2. MSMR Report**

Thank you, Kindly,

A handwritten signature in black ink, appearing to read "Cheryl A. Miller". The signature is fluid and cursive.

Cheryll A. Miller
Manager, Financial Services
Memphis Managed Care Corporation
Cmiller@mmcc-tlc.com
901-515-3022

QUARTERLY STATEMENT
AS OF JUNE 30, 2007
OF THE CONDITION AND AFFAIRS OF THE
MEMPHIS MANAGED CARE CORPORATION

NAIC Group Code 0000, 2006 NAIC Company Code 0000 Employer's ID Number 621539163
(Current Period) (Prior Period)

Organized under the Laws of TENNESSEE, State of Domicile or Port of Entry Tennessee

Country of Domicile US

Licensed as business type:

Life Accident and Health [] Property/Casualty [] Hospital, Medical and Dental Service or Indemnity []
Dental Service Corporation [] Vision Service Corporation [] Other []
Health Maintenance Organization [X] Is HMO Federally Qualified? Yes (X) No ()

Incorporated/Organized July 7, 1993 Commenced Business January 1, 1994

Statutory Home Office 1407 UNION AVE SUITE 200, MEMPHIS,, Tennessee 38104
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 1407 UNION AVE SUITE 200, MEMPHIS,, Tennessee 38104 901-515-3022
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 1407 UNION AVE SUITE 200, MEMPHIS,, Tennessee 38104
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 1407 UNION AVE SUITE 200, MEMPHIS,, Tennessee 38104
(Street and Number, City or Town, State and Zip Code)
901-515-3022
(Area Code) (Telephone Number)

Internet Website Address cmiller@mmcc-tlc.com

Statutory Statement Contact CHERYLL ANNETTE MILLER 901-515-3022
(Name) (Area Code) (Telephone Number) (Extension)
cmiller@mmcc-tlc.com 901-515-3722
(E-Mail Address) (Fax Number)

Policyowners N/A
Relations (Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)
Contact and Phone Number

- OFFICERS
- AL KING (President)
 - STEVEN BURKETT (Chairman)

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

JEFF BRANDON
JUDY BRIGGS
STEVEN BURKETT
BRENDA JETTER
AL KING
VERONICA MALLET, DR.
ELIZABETH OSTRIC
STUART POLLY, DR.

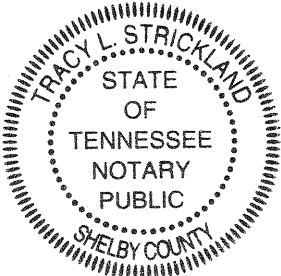
State of Tennessee }
County of SHELBY } SS

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

AL KING President
STEVEN BURKETT Chairman

Subscribed and sworn to before me this 19 day of September, 2007

MY COMMISSION EXPIRES October 31, 2008



a. Is this an original filing? Yes () No (X)
b. If no: 1. State the amendment number 1
2. Date filed September 19, 2007
3. Number of pages attached 4

Statement of Actuarial Opinion

I, A. Kirk Twiss, am associated with the firm of Reden & Anders, Ltd., and am a Member of the American Academy of Actuaries. Reden & Anders, Ltd. has been retained by Memphis Managed Care Corp. (MMCC) with regard to claim liabilities and related items. I meet the Academy qualification standards for rendering the opinion and I am familiar with the valuation requirements applicable to MMCC.

I have examined the actuarial assumptions and actuarial methods used in determining claim liabilities listed below, as shown in the quarterly statement of MMCC, as prepared for filing with state regulatory officials as of June 30, 2007:

Claims Unpaid (restated April 2002)	\$0
(Page 3, Line 1)	

Remaining IBNR as of 6/30/2007	\$42,604,287
(MFT report)	

I have relied on listings and summaries of claims and other relevant data, as prepared by MMCC. I relied on Jim Proctor, CFO for the accuracy of the data as expressed in the attached statement. In other respects, my examination included such review of the actuarial assumptions and actuarial methods used and such tests of the actuarial calculations as I considered necessary.

I have not reviewed the financial position of any party related by contract to MMCC. I have assumed that such parties are in a financial position to meet all liabilities resulting from such contracts.

In my opinion, the amounts carried in the balance sheet on account of items identified above:

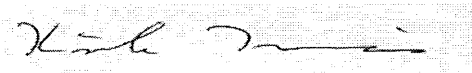
1. Are in accordance with presently accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles;
2. Are based on actuarial assumptions which produce reserves at least as great as those called for in any contract provisions and appropriate to the purpose for which the Statement was prepared;
3. Meet the requirements of the insurance laws and regulations of the state of Tennessee and are at least as great as the minimum aggregate amounts required by Tennessee;
4. Make a good and sufficient provision for all unpaid claims of the organization under the terms of its contracts and agreements;

5. Are computed on the basis of assumptions consistent with those used in computing the corresponding items in the annual statement of the preceding year-end; and
6. Include provision for all actuarial items which ought to be established.

I have reviewed the Underwriting and Investment Exhibit, Part 2B. The schedule was prepared consistent with *Section 3.6, Follow-Up Studies* contained in Actuarial Standard of Practice No. 5, *Incurred Health Claim Liabilities*.

The reserves and related actuarial items identified above make adequate provision for the anticipated cash flows related to the contractual obligations and expenses of MMCC, when considered in conjunction with the assets held by MMCC with respect to such reserves and related actuarial items, including, but not limited to, the cash flows on such assets and the considerations anticipated to be received under such policies and contracts.

The actuarial methods, considerations and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board, which standards form the basis of this statement of opinion.



A. Kirk Twiss
Fellow, Society of Actuaries
Member, American Academy of Actuaries

Reden & Anders, Ltd.
200 W. Madison Street, Suite 2450
Chicago, IL 60606
(312) 429-3905

AKT:bc

September 14, 2007

Medical Services Monitoring Report

GRAND REGION

WEST

MCO

Memphis Managed Care Corporation							
Reporting Month	2007						
Jun-07	Incurred Month						TOTAL
	January	February	March	April	May	June	2007
Enrollment	167,867	167,661	167,005	167,065	166,246	161,328	997,172
Payments for Medical Services for the Month							
UB 92 Payments by the Claims Processing System	16,916,041	13,421,097	13,715,548	11,377,036	7,237,697	2,357,804	65,025,222
HCFA1500 Payments by the Claims Processing System	10,528,172	9,161,477	9,348,946	8,032,110	6,454,389	2,296,482	45,821,576
Dental Payments by the Claims Processing System	0	0	0	0	0	0	0
Capitation Payments	1,726,343	521,153	514,832	514,754	2,486,082	591,191	6,354,354
Pharmacy Payments							0
Subcontractor Payments for Medical Services							0
Reinsurance Payment	0	0	0	0	0	0	0
Other Payments/Adjustments to Medical Costs	184,536	120,060	293,179	380,139	274,636	358,242	1,610,792
Less:							0
BHO Capitation Revenue							0
Pharmacy Rebates							0
Recoveries not Claims Payments							0
Total Payments for the month	29,355,092	23,223,786	23,872,505	20,304,039	16,452,804	5,603,719	118,811,944
Remaining IBNR for the month	906,197	1,203,036	2,192,495	4,466,404	11,956,087	21,880,069	42,604,287
Payments and Remaining IBNR for the month	30,261,288	24,426,822	26,064,999	24,770,443	28,408,891	27,483,788	161,416,231
Per Member Expense	180.27	145.69	156.07	148.27	170.88	170.36	161.87
Per Member Month Exp. For Quarter			160.69			163.07	
Per Member Month Exp. For Quarter in 2006			147.98			144.44	
Per Member Month Exp. For Quarter in 2005			148.56			146.80	
Percent Change from 2003 to 2004			-0.003934			-0.016054	
Medical Services Budget for 2006 Quarter			147.40			142.12	
(Over)/Under Budget			(13)			(21)	